THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) No Sir. There is no tendency to disregard C&AG and its observations conveyed through draft paras.

The Ministry has been constantly making efforts to ensure that there are no undue delays in furnishing its response to draft paras. These are reflected in Para 1.5 of the C&AG Report wherein the percentage of compliance by December of each year when the Audit finalizes its Report has gone up from 40 per cent *in 1990-91 to 86.45 per cent in 1993-94.* The time taken to collect the reports from field offices and processing, wherever necessary, in consultation with other Sections of the Board or Ministry of Law is a time consuming process.

(c) and (d) There are already instructions prescribed for prompt and early compliance to draft paras and submission of reports by the field officers and for taking prompt remedial action. Thus delays are kept to the minimum and only when it is unavoidable.

Strike by LIC and GIC Employees

6061. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 4399 given in the Rajya Sabha on 2nd May, 1995 and state:

(a) whether it is a fact that employees of LIC and GIC obserwed a complete strike on 31st March, 1995 throughout the country against the Malhotra Committee Report; and

(b) if so, what were their grievances and the action Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Some of the employees of LIC and GIC went on strike on 31st March, 1995. Government has yet to take a final view on the recommendations of Malhotra Committee Report.

Interest rate on Term Deposits

6062. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have increased the interest rate on time deposits by one percent;

(b) if so, the details and reasons thereof;

(c) the number of times the Government increased/decreased the rates of interest on time deposits and savings bank accounts during the last three years; and

(d) the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Reserve Bank of India (RBI) have reported that as part of the monetory and credit policy for the first half of 1995-96, effective April 18, 1995, the maximum term deposit rate was raised by one percentage point from 'not exceeding 11.0 per cent per annum' to 'not exceeding 12.0 per cent per annum'. The increase was effected with a view to ensuring that banks term deposits remain attractive in the context of the prevailing inflation rate and also to ensure that banks are able to mobilise more term deposits to finance their lending operations out of their own resources.

(c) and (d) The table given below indicates the number of times interest rates on savings and term deposits of banks were changed during the last three years: